

**“A COMMUNITY’S RESOLVE TO RESTORE  
INTEGRITY, ACCOUNTABILITY AND PUBLIC  
TRUST: THE MIAMI-DADE EXPERIENCE”  
(1996 TO PRESENT)**

**Prepared January 2004**

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## **ACKNOWLEDGEMENTS**

In the Fall of 2002, a group of individuals representing public, private and community-based organizations volunteered to prepare a report measuring the effects of the reform movement in Miami-Dade County aimed at restoring public accountability and trust in government and those institutions doing business with our local governments. Group members gave unselfishly of their time and each made significant contributions to the final product – some in a data-collecting role and others in an editing capacity. All members reviewed the recommendations, which reflect the group’s consensus. Finally, as this report is merely the first phase in a much larger effort, other individuals will be enlisted to support and implement the report’s recommendations.

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## **INTRODUCTION**

The Miami-Dade County School District is the fourth largest in the nation, with over 50,000 full-time and part-time employees. Similarly, Miami-Dade County government employs over 30,000 employees, managing one of the country's busiest airports and one of the world's largest ports. There are another thirty-two municipalities within Miami-Dade County. The total workforce for the School District, the County and the cities is approaching 90,000. Moreover, there are several hundred local elected officials who are responsible for setting policy for local government and several thousand more who serve on local governmental boards and authorities. The budgetary outlay for these local institutions is well in excess of \$10 billion dollars, which exceeds the total budget for many states across the country.

The population of Miami-Dade currently stands at approximately 2.3 million residents and has grown dramatically in the past decade in terms of size and diversity. Not unlike other large urban communities, Miami-Dade has been forced to grapple with a whole host of issues – immigration, transportation, crime, economic downturns, to name a few. Unfortunately, in the last decade, the community has also garnered a reputation as a hotbed of corruption. In the last six years alone, four sitting county commissioners and one school board member were ousted from office for various abuses of the public trust. The State Attorney has convened grand juries at least four separate occasions from 1997 to 2002 to inquire into and report on problems arising out of Miami-Dade County Public Schools, the County's contracting process and absentee ballot voting.<sup>1</sup>

Recognizing the negative consequences associated with corruption, community leaders commenced a crusade to combat this problem in the mid-1990s, the likes of which, arguably, are unprecedented within an urban area. Regrettably, recent surveys commissioned in 2001 and 2003 measuring attitudes and perceptions about a variety of

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<sup>1</sup> 2002 Miami-Dade County Grand Jury Report inquiry regarding operations of the Miami-Dade Public Schools; 2000 Miami-Dade Grand Jury Report inquiry regarding fire safety and capital construction in the Miami-Dade County Public Schools; 2000 Miami-Dade Grand Jury Report inquiry regarding policies and regulations applied to Board of County Commission staff; 1999 Miami-Dade County Grand Jury Report inquiry regarding Miami-Dade County contracting processes. See also 1998 Miami-Dade Grand Jury Report on County's contracting practices and 1997 Grand Jury Report inquiry into absentee ballot voting.

quality of life issues in Miami-Dade, show that the public continues to distrust local government, thereby potentially undermining some of the best efforts of these governments to reform the system.<sup>2</sup> Consequently, it is important for us, as a community, to assess the reform efforts and gauge their true impact.

## **DEFINITION OF CORRUPTION**

From a law enforcement perspective, corruption is generally defined as criminal misconduct, incorporating offenses such as bribery, extortion, influence-peddling and taking kickbacks. However, it appears that in the mind of the general public a broader interpretation of corruption is evolving that incorporates other elements also seen as destructive to a community. Broad discussions of corruption often include offenses that are non-criminal in nature, but which are viewed to be equally damaging to a community's health and welfare. Abuse of power, conflicts of interest, gross mismanagement and waste represent serious breaches of the public trust that often cannot be targeted by the same institutions attacking criminal corruption. Today, the reality is that most of the resources expended in the enforcement field tend to focus on the criminal aspects of corruption that allow a criminal court to intervene. Unfortunately, those governmental departments that have some noncriminal authority are left seriously underfunded. If the investigative adage of following the money to uncover corrupt practices rings true, then bodies providing oversight and monitoring of local government programs and contracts from both a criminal and a noncriminal perspective ought to receive their fair share of the allocations dedicated to curb governmental abuse, mismanagement and corruption.

Communities respond to crises in a variety of ways. One could argue the political scandals that came to light in the early to mid-1990s shook the fabric of the community and triggered a response on a similar scale to the natural calamities that have previously struck Miami-Dade County. In some corners of the county, existing organizations redirected their priorities and bolstered their efforts to secure additional funding to

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<sup>2</sup> 2003 Hay Group Survey, measuring resident satisfaction, random sample of 15,000 residents (one-half Countywide and one-half UMMA) with 1,850 respondents; 2001 Survey sponsored by County Manager asking community and County employees to identify challenges and guiding principles for Miami-Dade County for the next five years.

address corruption and other improprieties in Miami-Dade. Another important development was the creation of a number of governmental and non-governmental entities to fill in the gaps and complement the work of others in the field. It is worth noting that a strong backlash against corruption came from the business community, the local governments themselves, academic institutions and the non-profit sector. An aggressive media played a major role in exposing much of the criminal conduct and forced many community leaders on the defensive. Without the contributions by the media in publicizing the misdeeds by public servants and government contractors, it is unlikely that such drastic steps would have been taken to eradicate corruption. Finally, the voters, too, presumably being fed up with corruption, waste and fraud, have expressed their support for reforms that achieve such objectives.

The report is intended to serve multiple purposes. First, the report will review critical ethics and anti-corruption legislation and policy changes adopted in Miami-Dade County post-1995. Secondly, the report summarizes the response from enforcement authorities from 1996 to the present. Thirdly, the report spells out educational programming, training and other community-based initiatives in effect since the middle of the last decade to address the issues of ethics, values and integrity. Additionally, the report analyzes the experiences of nonprofit agencies striving to foster ethical workplaces. Lastly, the report offers a series of recommendations, both short-term and long-term, with the understanding there are no “quick-fixes” as the community will be confronted with these challenges for quite some time.

## **LEGISLATIVE OUTPUT**

Legislative codes of ethics are not a recent phenomenon in Miami-Dade County. Local officials and employees in Miami-Dade have been subject to such codes for decades. Nevertheless, the 1990s yielded significant legislative reforms; many which were adopted as a result of growing concerns about scandals and corruption that had engulfed portions of the County. One of the first major changes was a voter-approved amendment to the Miami-Dade County Home Rule Charter in 1996, establishing an independent Miami-Dade County Commission on Ethics and Public Trust as an

independent authority with quasi-judicial and advice-giving power.<sup>3</sup> The countywide ethics commission is the first truly independent local ethics commission in Florida and extends to all County and municipal officials and employees in Miami-Dade. Moreover, the Ethics Commission has jurisdiction over various ethics and good government laws, including the Conflict of Interest and Code of Ethics Ordinance, originally adopted in 1950 which set forth minimum ethical standards for local government personnel. Over the past six years, since the creation of the Ethics Commission, the abovementioned Code of Ethics Ordinance has been amended on numerous occasions to expand the Code's reach and strengthen its regulatory effect.<sup>4</sup>

Additionally, 1997 was the year the County government, by ordinance created the Office of Inspector General.<sup>5</sup> The Inspector General's Office is vested with subpoena power and other substantial powers, which, arguably, make it the most effective local Office of Inspector General in the country. The Office is empowered to investigate County officials, employees and contractors. It may also randomly audit most County contracts, programs and transactions. At the present time, the Inspector General's jurisdiction extends only to County programs and contracts.

While the Ethics Commission and the County's Code of Ethics Ordinance extend to the County's thirty-two municipalities, several cities have adopted supplemental codes of ethics and standards of conduct, some of which provide stricter standards. For instance, the cities of South Miami and Coral Gables enacted municipal codes of ethics and the City of North Miami Beach passed a "no gift" policy.<sup>6</sup> Miami Beach and Sunny Isles Beach have stringent abstention and disclosure requirements, which were adopted in recent years.<sup>7</sup> Unless specific exemptions are carved out for the municipalities, all officials and employees are mandated by law to comply with the applicable state statutes and county ordinances in the areas of ethics and good government. Municipalities are permitted by law to endorse stricter standards than those passed by the state and county

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<sup>3</sup> See also County Code Section 2-1074, Ethics Commission's enabling legislation, adopted by Board of County Commissioners in the Summer 1997.

<sup>4</sup> See Ordinance No. 98-73, 76, 94, 106, 125, 99-149, 150, 00-46, 01-199, 03-107.

<sup>5</sup> See County Code 2-1076; Ordinance No. 97-215.

<sup>6</sup> For some examples, see City of Aventura Ordinance No. 2001-10; City of Coral Gables 2003-5; City of Hialeah Chapter 99-27; North Bay Village, Chapter 38 Code of Ordinances (2002); City of North Miami Beach Res. No. 2001-34; City of South Miami Chapter 8A (2000); City of Sunny Isles Beach Ord. No. 99-82.

government, but cannot create legislation that is more lenient. Moreover, municipal government may regulate conduct in an area that is untouched by the other levels of government. For example, South Miami and Miami Beach have laws on the books that prohibit current vendors from giving contributions to candidates running for office within these municipalities.

### **Elections and Campaign Finance Reforms**

In addition to the aforementioned structural reforms that have taken hold on account of legislative action, there is a growing suspicion that vast sums of money are corrupting local political processes. The costs of campaigning for local office are staggering. The average race for a School Board or County Commission seat may require a candidate to collect and spend in excess of one quarter of a million dollars to be viewed as a credible candidate. In the contest for Mayor of Miami Beach in 2001, the three major candidates raised and spent in excess of one million dollars for an office with a two-year to preside over a city with a population of less than 90,000 residents.<sup>8</sup> Typically, the total campaign expenditures for all candidates running for county mayor or mayor in the city of Miami (the county's largest city) exceed several million dollars.

Contrast the high costs of campaigning with the salaries that those office holders receive, and almost inevitably, questions about conflicts of interest will surface. The most visible positions, those entrusted with countywide responsibilities, are county commissioners and school board members. These officials are paid \$6,000 and \$32,000 a year, respectively, for full-time work.<sup>9</sup> Except for those who are independently wealthy or who have income from other sources, other employment is necessary to sustain them.

Potential conflicts of interest are bound to manifest themselves when their employment obligations and private interests collide with their public duties. One can envision scenarios of elected officials who practice law whose firms take positions adverse to the governments they serve; elected officials who are architects, engineers,

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<sup>7</sup> City of Miami Beach Ord. No. 2000-3272; City of Sunny Isles Beach Ord. No. 2001-149.

<sup>8</sup> See Final Campaign Reports prepared in 2002; Candidate Elaine Bloom spent more than \$700,000 in the race; yet she did not prevail.

<sup>9</sup> Miami-Dade Home Rule Chapter adopted in 1957 set the salary for County Commissioners at \$6,000; several attempts to amend the Charter and increase salaries have been rejected by the voters (most recently



contractors and whose companies seek to transact business with their governments and other elected officials who are non-profit administrators whose agencies are searching for government funding. Repeatedly, voters have been given the opportunity to pay local elected officials a fair wage and, with one recent exception in the city of Miami, such increases have been rejected. One can argue that the low salaries fuel the perception that there are some hidden financial benefits to serving the public at the local level because what economically rational person would accept a position that pays far less than the minimum wage.

In 1998, local governments began to tackle election reform and County government ratified an ethical campaign practices ordinance, governing the conduct of individuals running for local office. Similarly in 1999, the campaign reform finance movement, spearheaded by local civic groups, was successful in its attempt to present to the voters a partial public financing option for candidates seeking countywide office, which eventually received approval from the voters in 2000.<sup>10</sup> Other campaign finance reform measures were adopted by the County and some municipalities as early as the year 2000 and include:

- Limiting the dollar amount of campaign contributions
- Increased disclosure of campaign contributions
- Establishing an election campaign trust fund to administer public financing
- Conferring auditing and enforcement authority to the Ethics Commission over the campaign trust fund
- Banning contributions from vendors
- Banning contributions from corporations
- Banning campaign contributions from real estate developers and lobbyists on real estate and procurement issues

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in 2001). School Board members are compensated according to a State formula without regard for the number of hours individual members work. (See Florida Statutes, Chapters 145 and 230)

<sup>10</sup> November 7, 2000 ballot question approved by the voters to provide limited public financing for County Mayor and County Commission elections.

## **Procurement and Contracting Reforms**

While conflict of interest laws and ethics codes are viewed as necessary components in promoting integrity and accountability, further legislation was adopted between 1998 and 2003 in government purchasing and procurement and lobbying to tackle the thorny relationships can be presented between local governments and the private sector.<sup>11</sup>

Given the magnitude of the activities that local governments are expected to perform in Miami-Dade, contracting and procurement is a major undertaking, representing several billion dollars worth of contracts awarded on an annual basis – the most expensive and most complicated awards entail large construction projects. The legislative intent is clear -- to ensure fairness and transparency and to depoliticize procurement decisions.

During the same time frame, the County and the municipalities adopted various ordinances and expanded the scope of existing laws to enable such processes to operate more openly and ensure greater accountability. The following is a summary of the County and municipal legislation:

- Expanding the scope of the Debarment Ordinance, to include not only construction-related contracts, but also all contracts for goods and services. Also gives the Inspector General the authority to investigate and request debarment.
- Equally important, recent legislation, giving jurisdiction to the County's Inspector General to investigate violations, mandates that contractors adopt a code of business ethics before transacting business with the County. Several cities have instituted this requirement as well. A company's failure to abide by the code may render the contract voidable.
- In addition, the County adopted legislation prohibiting individuals or entities that are in arrears from contracting with the County.

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<sup>11</sup> Examples include Procurement Codes and Procedures adopted by the City of Coral Gables (2003), North Bay Village (2003), the Village of Palmetto Bay (2003) and the City of Sunny Isles Beach (2000). Miami-Dade County enacted Cone of Silence legislation in 1998, which has been amended on several occasions; a number of municipalities including Coral Gables, Hialeah, Miami and Miami Beach drafted their own Cone of Silence or opted out of the County's Cone of Silence. The School District in 2003 adopted a Cone of Silence (See Board Rule 8C-1.212)

- Passed in 1999, the County's False Claims Ordinance was established to promote truth and honesty in government by providing penalties against those who submit false or fraudulent claims. The public has the right to file in circuit court if it has reason to believe fraud has been perpetrated on the County.
- Miami-Dade County Cone of Silence legislation barring certain oral communications between bidders and government personnel during bid advertisements; several cities have opted out of the County's version and enacted their own. The Cone of Silence was adopted to minimize any appearance of improper or unethical behavior during the solicitation and review of bid proposals and decrease the likelihood that undue influence would be exerted during the contract award process.

Finally, an ethical government is one that also encourages citizen participation, transparency and access to decision-making entities. It creates safe avenues for individuals to disclose and identify unethical behavior in government. In this spirit, the County Commission adopted an ordinance offering protection to employees who disclose information concerning county departments. Furthermore, the County and certain municipalities implemented disclosure laws that require parties submitting bids or participating in selection review committees to fully and publicly disclose any interest. Distinct from those protections now available to employees and other parties wishing to divulge graft and other improprieties, local governments are disclosing more information to the general public via the Internet. Campaign reports and records and other important government documents are now available on many local governments' websites.

### **Lobbyists and Lobbying Regulations**

In 1999, the County initiated efforts toward lobbying reform. First, questions have been raised regarding the role lobbyists play in influencing the actions of local government officials. There is some evidence to support the proposition that lobbyists receive exorbitant fees either in the form of hefty retainers or in the form of success fees, potentially resulting in inflated contract awards operating to the detriment of the taxpayer. Secondly, some lobbyists actively participate in the local political process by

soliciting contributions and holding fundraisers for candidates for local office. Many of these same lobbyists are representing firms seeking government contracts. Because the ability to raise campaign funds is so critical in all elections and contributions are limited to \$250 for county office and \$500 for School Board and municipal office, major fundraisers attracting many donors are quite appealing to the local politician. Therefore, the lobbyist who is capable of sponsoring one or more successful fundraisers for a candidate during the campaign season may gain an advantage if the candidate is elected. Thus, the perception is created that these lobbyists may enjoy differential access and may have unfair advantages over others who are not participating in candidate events and fundraisers.

The City of Miami Beach made a bold statement when it enacted legislation recently that bans lobbyists from serving as fundraisers if they actively lobby the city.<sup>12</sup> The rationale for such a law is to break what is perceived to be a mutual beneficial relationship between elected official and lobbyist. If a lobbyist raises substantial funds and that candidate assumes office, the lobbyist may be rewarded by a favorable vote from that elected official when the fundraising lobbyist's client has a matter before the governing body.

While more detailed expenditure reporting and the clarification of the term lobbyist were important elements which passed, specifically, the reform agenda focused on lobbyist fee disclosure and a ban on contingency fees. Although the County banned contingency fees in 2003, fee disclosure did not pass. However, the cities of Miami Beach, Sunny Isles Beach (through the charter review process), Palmetto Bay and the School District passed laws/rules requiring lobbyist fee disclosure. They join approximately 20 cities nationwide with similar legislation.<sup>13</sup>

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<sup>12</sup> The City of Miami Beach enacted these restrictions in 2003. See Ord. No. 2003-3393 (procurement) and 2003-3395 (real estate development).

<sup>13</sup> Some examples include the cities of Austin, Baltimore, Chicago, Houston, Los Angeles, New York and San Francisco.

### **ENFORCEMENT ACTIVITIES (FEDERAL, STATE & LOCAL)**

Prior to 1998, the Federal government supplied most of the resources to combat corruption within Miami-Dade County. It is estimated that only twenty-five law enforcement officers and prosecutors were targeting corruption in the County. Although the information is not broken down on an annual basis, the U.S. Attorney's Office in Miami-Dade filed thirty-three (33) public corruption cases from 1996-2001. Of these thirty-three cases involving thirty-six defendants, almost fifty percent (17 of 36) were found guilty and another twenty-two percent (8 of 36) plead guilty. Jail sentences were handed down in sixteen of the thirty-three cases.<sup>14</sup>

These statistics reflect a concerted effort by federal law enforcement to take action against corrupt public officials and employees. However, the data may be somewhat misleading because these figures do not necessarily represent government officials and personnel committing criminal acts that are abuses of the public trust. Apparently, the U.S. Attorney's Office classifies cases as public corruption cases whenever the charged parties are government officials or employees. This is supported by a secondary data source which categorizes the area of criminal activity. Nearly forty percent of all the officials arrested were charged with money laundering and racketeering, but a fairly substantial number were charged with drug-related crimes, in all likelihood, not connected to their official governmental duties. Without having access to the actual files, it is difficult to determine which cases are linked to misconduct while in office that would be regarded as public corruption offenses.

Similar data was collected from the Miami-Dade State Attorney's Office and the same caveats apply. It appears that some of the criminal activity that defendants were charged with was unrelated to their governmental positions. The numbers do indicate, however, that the Public Corruption Unit of the State Attorney's Office has been very aggressive. From 1996 to mid-2002, there were 287 public corruption cases filed against public officials and employees amounting to 377 defendants arrested. Only 38 out of the

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<sup>14</sup> Charts were created from data collected by staff of the Greater Miami Chamber of Commerce from the U.S. Attorney's Office for the Southern District of Florida.

377 individuals received jail time in the state system, although almost ten percent of all the cases (32/377) are still pending. Probation is the most common sanction; with more than half of these defendants (195 of 377) going on probation. Grand theft and official misconduct were the most common charges – 63 times and 61 times, respectively, but another thirty were charges with drug-related or sex-related crimes.<sup>15</sup> In all probability these cases are included in the public corruption statistics because of the status of the defendants, such as law enforcement officers using their positions to deal in drugs or gain sexual favors.

During the 2003 session, the Florida Legislature passed and the Governor signed the “Paul Mendelson Citizen’s Right to Honest Government Act.”<sup>16</sup> This law was the culmination of several years efforts to toughen penalties for public corruption crimes that first saw legislative form in an “8 Point Plan” proposed by the Miami-Dade State Attorney for the 2000 Legislative Session. The final version of the law was named after Paul Mendelson, the late Chief of the Legal Division of the Miami-Dade State Attorney’s Office due largely to his office’s effort in drafting and lobbying for such legislation. The law provides for increased penalties for Bribery, Unlawful Compensation and Official Misconduct and establishes new prohibitions in some areas such as bid tampering. It is expected to provide an important weapon in the arsenal of state prosecutors engaged in the fight against corruption.

## **Personnel**

One does not question the commitment of local government to target corruption in the early to mid-1990s. But since 1998, the number of full-time personnel focusing on corruption has expanded by 500%. The most reliable information available shows that more than 150 personnel are dedicated to anti-corruption operations in this community. For example, the county’s Audit and Management Department, a critical part of the arsenal to expose corruption, now employs fifty-nine (59) employees.<sup>17</sup> In 1999, there were twenty-eight employees who were assigned to the audit division. These increases

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<sup>15</sup> Charts were created from information collected by staff of the Greater Miami Chamber of Commerce from the State Attorney’s Office for the Eleventh Judicial Circuit of Florida.

<sup>16</sup> See Florida Statutes, Chapter 838 Bribery; Misuse of Public Office (2003)

are truly remarkable. Other examples are the aforementioned Office and Inspector General and the Miami-Dade Commission on Ethics and Public Trust. The Inspector General now has twenty-six employees aboard with an authorized level of thirty-two and the Commission on Ethics has twelve employees with an authorized level of fifteen.<sup>18</sup>

The Office of the Miami-Dade State Attorney created a separate Public Corruption Unit in 1995 dedicated solely to the investigation and prosecution of public corruption. Prior to 1995, public corruption and organized crime operations were housed in one division, staffed by eight attorneys. The current Public Corruption Unit is comprised of twelve attorneys with special expertise in the prosecution of public officials who have abused their legal authority.<sup>19</sup> The Unit works cooperatively with other local, state and federal law enforcement authorities, as well as the Miami-Dade Office of Inspector General and the Miami-Dade Commission on Ethics and Public Trust. Furthermore, the State Attorney has fought vigorously for state legislation mandating ethics training for all elected officials as well as for the stiffening of public corruption offenses.

The Miami-Dade Police Department actively pursues public corruption cases, specifically investigating allegations of criminal misconduct. In 2002, the new Public Corruption Investigations Bureau was created, taking the place of a smaller unit. For 1998-1999, the unit employed twenty-five personnel, with a budget of approximately \$1.7 million. By 2002-03, the budget almost tripled to over \$4.5 million and the size of the staff expanded to forty-three positions.<sup>20</sup>

In summary, over the last five years alone, the county has allocated close to \$50 million to root out corruption and ethical improprieties in county government and those who do business with county government. Specifically, the charge given to the Office of Inspector General, the Commission on Ethics, the Public Corruption Bureau of the MDPD and the Audit and Management Department to restore public trust in county

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<sup>17</sup> 2003-04 Miami-Dade County Proposed Budget Summary, page 265 and information supplied by Cathy Jackson, Director, County Audit Department.

<sup>18</sup> Miami-Dade County Commission on Ethics and Public Trust/Inspector General Budget Summary and Proposal 2003-04, page 309.

<sup>19</sup> These figures were obtained from Joe Centorino, Chief of the Public Corruption Unit, Office of the Miami-Dade State Attorney.

<sup>20</sup> Summary provided by the Public Corruption Investigations Bureau of the Miami-Dade Police Department.

government cannot be accomplished without support from other departments. Other actors within the county system are indirectly responsible for assisting the aforementioned departments with this mission and these costs have not been incorporated into the \$50 million figure. A good illustration of this is the County's Procurement Department, a free-standing department created in 1998 to encourage efficient, open, transparent, competitive and uniform procurement practices within the County. The staffing level for this department stood at ninety-five for the year ending 2002.<sup>21</sup>

Unfortunately, the specter of fraud, waste, abuse and conflicts of interest have plagued the Miami-Dade Public Schools as well. Unquestionably, the new superintendent was given a mandate to streamline bureaucratic processes and steer the District on a more ethical course. In addition to a major overhaul of the administrative structure, the District recently appointed an Inspector General with an initial budget of roughly \$250,000 and created an Ethics Advisory Committee, the only Florida school system to have implemented such measures.<sup>22</sup> The School Board's Inspector General will have thirty investigators available to support anti-corruption efforts and is likely to receive budgetary supplements to discharge its duties. For years, the School District has maintained an Audit Department, which reports to an independent Audit Committee that can refer cases for criminal prosecution, provide the School Board or Superintendent's Office with findings and recommend changes in administrative procedure and practice.

## **PUBLIC/PRIVATE INITIATIVES**

Aggressive enforcement actions and "good government" laws are signals that policymakers and law enforcement authorities have set their sights on tackling corruption with great intensity. However, other community stakeholders must step to the forefront and take a leadership role to right the course. Although there was limited activity on the ethics and accountability front before 1996, the major thrust for reform efforts by public administrators, citizen groups and the private sector began in earnest in the mid 1990s.

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<sup>21</sup> See Miami-Dade County Budget Summary (2003-04), Department of Procurement Management, page 285.

<sup>22</sup> The District's Ethics Advisory Committee was formed in 2002 and Florida's Department of Education established an Office of Inspector General within the Miami-Dade Public Schools in October 2002 to be funded by the School District.



The Miami-Dade County League of Cities, an organization formed in 1953 has placed a renewed emphasis on ethics and good government practices in the last several years. Workshops on ethics for newly elected officials, candidates for local office, local government attorneys, city administrators and city clerks are held regularly.

To assure civilian oversight of law enforcement activities in Miami-Dade County, the Independent Review Panel of Miami-Dade County was created in 1980 to address serious citizen-generated complaints against Miami-Dade police officers and other County employees. Its enabling ordinance allows municipal governments to utilize the Independent Review Panel's processes. In 2001, voters in the City of Miami overwhelmingly approved a Civilian Investigative Panel to investigate claims of police misconduct as a stand-alone, independent agency, with its jurisdiction limited to the City of Miami. The Miami-Dade Community Relations Board recently created a Police Community Relations Task Force, consisting of local law enforcement and civilian community representatives. These agencies have made a palpable impact in facilitating cooperation and constructive dialogue, resulting in more trust and several changes in practice and procedures by the State Attorney and local police agencies.

The University of Miami Ethics Programs were established in 1992 and are dedicated to education, research and community service in ethics in the professions and public affairs. The programs comprise two main subdivisions, the Bioethics Program and the Programs in Business, Government and Professional Ethics. Educational efforts include instruction across the curriculum, training and community and continuing education activities. Research focuses on areas of faculty interest and community service includes work with government agencies, professional societies, community groups and religious institutions. Founded in 1996, the Center for Ethics and Public Service at the University Miami School of Law is an interdisciplinary project devoted to teaching the values of ethical judgment, professional responsibility and public service in the practice of law.

In 1998, the Alliance for Ethical Government, a non-profit organization was established to promote honest, fair and ethical government and business practices. The Alliance, in existence for three years and privately-funded, developed task forces to

review and to recommend changes to the current laws and policies, as well as to develop programs to increase the ethics awareness and education in all facets of the community.

The Greater Miami Chamber of Commerce, with a membership of approximately 3,000 local businesses, established an Ethics in Business Group in 1998, emerging as a result of high-profile investigations and court cases involving public corruption. This group, which remains active, held a community Summit on Ethics, a Youth Summit, created a Model Code of Business Ethics and established an annual Ethics Sabbath in partnership with the religious community.<sup>23</sup>

The Miami-Dade chapter of the League of Women Voters created an Ethics and Accountability Committee in 1999 to work to make local government more accessible and accountable to ordinary citizens by enhancing access through the Internet to key public documents. Additionally, the Committee was instrumental in the passage of a county referendum enabling limited public financing of campaigns for County office.

The Greater Miami Region of the National Conference of Community and Justice (NCCJ) began its involvement with the ethics movement in 2000, when it was asked by the Greater Miami Chamber of Commerce Ethics Committee to assist them in influencing the faith community leadership groups to adopt an Ethics Sabbath Weekend in 2000. Additionally, an ethics column, with contributions from the area's religious leaders, was printed in each Thursday edition of the Miami Herald and was a regular feature of the newspaper until the events of September 11th and the War with Iraq. NCCJ has raised the possibility of resuming the column.

St. Thomas University opened the Center for Contemporary Ethics in 2000 to promote a commitment to ethical convictions on campus and in the larger community by providing programs and resources to address key ethical questions through ethics education programs.

Transparency Miami, a local affiliate of Transparency International, was organized in 2000 and is interested in identifying effective strategies for municipal and community anti-corruption efforts. The local group serves as a contact point for the

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<sup>23</sup> The Greater Miami Chamber of Commerce adopted a Model Code of Business Ethics to encourage Chamber members who do business with government to sign this pledge. Additionally, the Chamber sought approval of local governments to award contracts only to vendors who agreed to be bound by the principles in the Model Code or to supply their own internal codes of conduct.

exchange of information with anti-corruption efforts taking place in other cities and countries.

## **EDUCATION AND TRAINING PROGRAMS**

There are several major colleges and universities situated within Miami-Dade County and many of the alumni from these schools remain in the South Florida area. Inasmuch as these students are likely to assume leadership positions in the community, it is important to identify the efforts undertaken by universities to prepare students for their careers and professions and examine the interest levels academic institutions have in integrating ethics and values in their core curricula. Feedback was solicited from these institutions of higher learning to determine whether there was an increased emphasis in these subject areas in light of some of the trials and tribulations the community has experienced.<sup>24</sup> It is understood that major universities do not necessarily react exclusively to local events, rather they tend to take a more regional, national or international perspective, but there is no denying the fact that service to the local community is important to all colleges and universities, particularly in light of the fact that a high percentage of graduates stay in Miami-Dade County to pursue their chosen career paths. Generally, there are strong linkages between academic institutions and the community in that faculty may participate in research projects of local interest, seek funding opportunities for projects to be tested within the area, and serve on community/advisory boards in the name of public service. Furthermore, universities can demonstrate their commitment to a particular field by funding centers and institutes to address ethics in the workplace and in society.

In a survey of the local colleges and universities, there were 57 course offerings with ethics in the course title during the year 1998-99. For 2002-03, the number of ethics courses taught at the local colleges and universities grew to 101. This, in part, can be attributed to increased enrollments at these schools and the creation of new degree programs. However, the professions are paying greater attention to ethics and integrity-related concerns and are striving to inculcate values that are consistent with professional

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<sup>24</sup> All major local colleges and universities were consulted by searching the Internet, college catalogs, and the archives. Moreover, Deans and Directors of programs with ethics courses and faculty ethicists were personally contacted.

norms and standards. Given some of the high-profile scandals at some of the nation's largest corporations, it comes as no surprise that business schools are delving into the topics of integrity and corporate governance in greater depth. Similarly, conflicts of interest that have infected some of the professions are the subject of conversation at professional schools around the country. Thus, higher education plays a significant role in exposing students to morality, philosophy and ethics. What is unclear, however, is the degree to which these newly-created ethics courses have proliferated locally due to the events that been described above. Regardless of the reasons for expanded ethics curricula, exposing students and the community's future leaders to these matters is likely to pay dividends in the long run.

Irrespective of the formal coursework offered for college and university students, education takes on other forms as well. For instance, in-service training for professionals and training for public officials demonstrates an organization's commitment to ethics and integrity in the workplace. The rationale for training is multi-faceted. At the most basic level, ethics training reinforces the organization's objective to create and maintain an ethical workforce. Secondly, ethics training provides personnel with a better understanding of the substantive rules and regulations that should govern their behavior at work. Thirdly, ethics training can be used as a means to reduce an entity's liability by requiring training for all its personnel. Finally, and possibly most importantly, training can be viewed as a proactive measure to keep personnel out of trouble. In the case of Miami-Dade County, it is difficult to assess whether ethics training on a large scale has been implemented in reaction to the chain of recent events or due to its inherent value.

Miami-Dade County instituted mandatory ethics training for all of its elected officials and employees in 1998, a fairly daunting task considering the fact that the County government employed approximately 28,000 employees at the time. There is some dispute over the actual number of employees who completed the program, but by all accounts, most personnel did receive the training. To the County's credit, it did not envision this training as an isolated incident, but saw it as part of an ongoing effort. In 2002, ethics training was offered again to all of its personnel in the form of a refresher course, a shorter course designed to update personnel on the latest developments. Additionally, a large block of time was carved out for ethics training during the new

employee orientation program. For new County employees, at least three hours of the orientation session covers ethics.

Miami-Dade County Public Schools has approved an Ethics Professional Development Program to train all full-time and part-time employees (approximately 50,000) that will be phased in over the next five years. Additionally, new teachers will begin receiving ethics training during New Teacher Orientation, beginning with the 2004-2005 school year.

Ethics training takes place in the Miami-Dade municipalities and may not be a new phenomenon but seems to be gaining popularity. The Miami-Dade Commission on Ethics has conducted ethics training sessions and workshops for more than two-thirds of the municipal governments located within Miami-Dade County within the past three years, in many cases in conjunction with the Miami-Dade League of Cities. The City of Miami, the largest municipal government in the County, contracted with Florida International University in 1998 to train the entire workforce, officials and employees, within two years. The program was expanded to mandate training for all new city employees hired after the initial round of training was completed. Many of the city attorneys in the region hold formal workshops and seminars for newly-elected officials and board members on a recurring basis that address the topics of ethics in government and the sunshine law. Lastly, as more areas of the County choose to incorporate, the opportunities for ethics training significantly increase. Given the stringent open government and conflict of interest laws that apply to local government officials, it is crucial that community leaders, who assume public office for the first time, are receptive to ethics training.

### **ETHICS AND NON-PROFIT AGENCIES**

This report is predicated on the belief that corruption is a community crisis, requiring action by all the major sectors in the community. Scant attention has been directed to non-profits or community-based organizations, but these organizations comprise a significant percentage of the workforce in the County and allocate and receive substantial government funding. Therefore, it stands to reason nonprofit agencies which request and receive public dollars ought to be held accountable for these funds no differently than

private companies receiving government contracts. Local governments need to ensure that these grants and awards are going to serve the community and that the funds are not squandered or misallocated by the recipients.

Oversight takes on many forms and government has a responsibility to assure the public that the monies allocated are properly spent and the services are effectively delivered. This is true whether the government is funding multi-million dollar contracts or awarding small community based organizations grants in the thousands. Regardless of the external controls government adopts to watch over its money, recipients must vow to act ethically and responsibly. With this background, a survey was developed to examine internal ethical considerations within non-profit agencies in Miami-Dade County and the emphasis such organizations placed on ethical behavior and accountability.<sup>25</sup> In part, the survey sought information about trends occurring within the non-profit community that were connected to the concept of ethical governance.

The survey results portray the need for better consistency in ethics information disseminated among the non-profit sector. More than half of the respondents reported that the subject of ethics is a topic of concern in a majority of professional workshops, seminars and conferences. Moreover, a little over a third of the respondents cited that their organizations' trade journals were devoting more space to covering the subject of ethics.

One in four respondents reported that their organizations have been affected by ethical lapses in the last five years. Out of these respondents, three-fourths reported that as a result of these ethical lapses their organizations have implemented "stricter rules on accountability, disclosure and financial standards."

Three in four affirmed that their organizations have established written ethics standards or codes of ethics. Nine out of ten of these respondents reported having a code of ethics established longer than one year. Surprisingly, more than half reported that their organizations did not offer ethics training. Furthermore, one in three who claimed that their organizations did offer ethics training listed various examples of training.

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<sup>25</sup> Community-based organizations and other non-profits agencies located in Miami-Dade County that were on the NSFRE mailing lists and those non-profit organizations that sought or received County funding during that most recent budget cycle were mailed surveys. Seventy-two usable questionnaires were returned.

Moreover, although three in four respondents affirmed an organizational code of ethics, more than half reveal that there is no institutional mechanism in place to seek guidance on ethical issues; no vehicle for employees to pursue ethics advice. The data reveals an inconsistent message between the adoption of a code of ethics, standardized ethics training and a medium for attaining an ethics opinion.

In addition, the data also indicates that an inconsistency exists between reporting or witnessing organizational misconduct and organizations being affected by ethical lapses with the last five years. This leads to the conclusion that although one in four organizations were affected by ethical lapses only a few actually witnessed the misconduct that may have violated the law.

It is interesting to note that approximately one-quarter of all the non-profits surveyed acknowledged some type of ethical lapse in the last five years and most developed stricter rules on accountability, disclosure and financial statements to remedy the situation. However, very few personnel felt pressured by management to compromise standards to meet objectives and those select few who witnessed misconduct did report their observations to management.

It is difficult to decipher how non-profits in Miami-Dade address ethical lapses, but the most plausible explanation appears to be formulating a written set of ethics standards. In some cases, action against the wrongdoer was taken and the respondents tend to be satisfied with the manner in which their organizations handle reports of misconduct. By the same token, there is no universal commitment to promote ethical behavior in the form of training and workshops. One wonders about the effects of written standards and guidelines that are not properly disseminated and discussed throughout the organization.

Finally, given the responsibilities of non-profit organizations, ethical quandaries are likely to manifest themselves in a variety of different scenarios and it would be prudent for such agencies to encourage employees to seek advice before acting.

## **RECOMMENDATIONS**

The report sets forth the following recommendations that, in the opinion of the drafters, are readily achievable and should be implemented within a reasonable period of time. The benefits associated with embracing these recommendations far outweigh the costs. In fact, the initial financial outlays will generate long-term gains (tangible and intangible) that will sustain the community's commitment to honesty, integrity and transparency.

### **1) Urge greater compliance with the statement of fair campaign practices.**

Elected leaders who demonstrate their commitment to ethical leadership is a paramount objective, which starts with running ethical campaigns. To this end, the County passed an ordinance in 1998 that makes it possible for candidates to pledge their support for ethical campaigning by signing a statement of fair campaign practices. The purpose of such a promise is to engage in positive, issue-oriented campaigning, keeping mudslinging and negative attacks to a minimum. However, the candidates are only bound by these precepts if they voluntarily declare their willingness to comply with such principles and many candidates for local office have chosen not to take this pledge. It is troubling that many candidates do not see the benefits of signing on; for some, it may be grounded on the belief that such a declaration creates a disadvantage when their opponents are not bound by the same rules. It is not a stretch to find that the public's negative perception of elected officials may be correlated to their conduct on the campaign trail. Therefore, positive, issue-oriented campaigns could go a long way to increasing the stature of the elected official in the eyes of the general public. Finally, the manner in which the candidate conducts himself/herself during the campaign may be the precursor to the manner in which the public perceives that person once in office. Our group would like to see every candidate officially pledge to run ethical, issue-driven campaigns.

Ideally, the goal is to maximize the number of ethical individuals seeking local office. Although it is unlikely that a litmus test can be developed to measure one's ethical fitness for office, those candidates who have the ability to supply ethical leadership should be recognized and rewarded.



**2) Engage in greater scrutiny of vendors and contractors seeking to transact business with local governments by increasing monitoring activities over government funds and projects.**

Local governments must take the necessary steps to comprehensively screen bidders to avoid awarding contracts to firms that are not responsible or unable to perform. Greater due diligence by local government personnel will prevent awards to unworthy firms, possibly due to performance problems, cost overruns, integrity issues, etc. Similarly, local governments have a fiduciary duty to the taxpayers to negotiate and award contracts on the basis of price and performance. Government must do more to level the playing field and embrace the notion of fair and open competition in its procurement practices. Potential contractors/vendors and the business community must understand that contracts awarded based on political connections must become vestiges of the past.

Local government must assign more personnel to contract and grant monitoring functions. It is imperative that local governments force contractors and grantees to strictly adhere to the terms of their agreements and such parties should be held in default if they are unable to fulfill their contractual obligations. In effect, governments must take a more active oversight role to guard against work that is substandard or results in unnecessary requests for change orders. For community-based organizations, local governments must insist that the funding is being utilized for the proper purposes. Government monitors should be authorized to score and evaluate performance and negative findings should impair those firms or organizations from receiving future government work or funds.

One would expect some resistance from local governments to implement these recommendations, arguing budgetary constraints and other fiscal limitations will hamper the ability of local governments to hire the necessary personnel to realize these objectives. Granted, there will be some short-term costs associated with enhancing current monitoring activities, but the long-term gains are well-worth the initial investment. Eliminating unanticipated and unnecessary cost overruns, selecting responsible contractors/vendors and scrutinizing billings in greater detail

will yield substantial costs savings that will dwarf the salaries paid to the new employees hired to handle these responsibilities.

**3) Establish Ethics Officers in all major municipalities and large firms doing business with local government.**

A relatively simply, yet potentially effective approach to reinforce the reputation for ethical behavior in the workplace is for large municipal governments and private firms doing significant business with local governments in Miami-Dade County to launch ethics officer programs.

Ethics officers assist in training and employee development programs offered by the employer, ensure that the right message is being communicated to all employees, provide opportunities for employees to report ethical lapses or illegal activity without fear of retaliation and investigate reports of unethical activity. In large part, ethics officers are equipped to address questions of a non-criminal nature that are affecting the organizational commitment to do the right thing.

The funding of ethics officers is unlikely to be cost-prohibitive. The most common scenario is that these duties are ancillary to the employee's primary duties, and few, if any, new positions need to be created. More critically, however, is that the leadership expresses its support for the program and the persons selected for these assignments are trustworthy, with some tenure in the organization. By implementing this recommendation, public and private firms alike will rededicate their efforts to principles of integrity and ethical decision-making.

**4) Remind local government attorneys that the clients they serve are the public-at-large.**

This committee acknowledges that local government attorneys have responsibilities to their clients unlike other members of the legal profession. The possibility of divided loyalties exists for these attorneys who are appointed by elected officials, but are obligated to take action to benefit their ultimate clients—the taxpayers and residents of their communities. Thus, if a conflict arises

between the two groups, local government attorneys must always side with the position that is most beneficial to the public.

These attorneys operate on the front line and, as such, are in an excellent position to assess legal sufficiency but also to analyze the propriety of business decisions that impact the taxpayer. In other words, the attorney's office should not sign off on contracts simply because they are legally sufficient when it would not be in the best interest of the taxpayer for such deals to be struck. Similarly, actions by government attorneys related to settlement discussions and the defense of claims should be pursued with the same mindset; that is, protection of the public interest must be the overriding concern.

**5) Promote a series of conferences, workshops and other networking events to further examine ethics and accountability in Miami-Dade County.**

This report seeks to stimulate dialogue and discussion of public accountability in Miami-Dade County and to give the public an overview of the resources expended to restore the public's confidence in its public institutions and its local governmental officials. In order for these twin goals to be realized, workshops, seminars and other networking events will be organized across the county in 2004 and beyond to delve into these issues in greater detail. The first planned event, after the report is released, is for selected members of the public to react to the report by presenting their comments in an open forum to the report's drafters. Moreover, study circles and other meetings will be scheduled during the year, giving the public other avenues and settings to respond to the report and offer their input as to the state of affairs in Miami-Dade County and the extent to which the anti-corruption efforts are bearing fruit. Other topics to address during the year include: creating a report card/scorecard to determine the ethical fitness of a person for public office; exploring the business/government relationship in greater depth; assessing the impact of cronyism and nepotism in local government operations; establishing a super ethics board that actually addresses ethical/moral dilemmas and publicizing and promoting good government.

## **CONCLUSIONS**

The initiatives described above are meant to convey to the reader that substantial work has been done in the last six years to rectify the wrongs of the past and set Miami-Dade County on a new trajectory. The group that met bimonthly to prepare this report took it upon themselves to measure the discernible impact that the anti-corruption campaign is having and to illuminate the areas of continuing concern. Obviously, it is difficult to evaluate with any real precision the impact of these ethics and anti-corruption measures. One can point to the number of public servants who have received ethics training, the number of elected officials removed from office for breaches of the public trust, contractors who have been disbarred or forced to pay restitution to the government or the number of government employees who have lost their jobs on account of unethical behavior, but these statistics merely tell part of the story. One will never know whether the heightened attention to the conduct of the local public servant deters others from committing unethical acts. Clearly, an organizational culture promoting ethical action will be less tolerant of those who engage in unethical behavior, forcing these individuals to conform to the organizational norms and mores or risk being ostracized. To the extent to which organizations sensitize their employees in this manner, progress is being made. Similarly, public organizations that have not made the concerted effort to transform the organization culture, allowing unprincipled employees to poison the atmosphere, will yield more fodder for the media and more work for the watchdogs.

It is highly doubtful that there will be a defining moment that will convince the public that the battle against corruption has been won. More likely, success will be achieved in small steps and is possible only after attitudes and perceptions change. Given the high levels of public cynicism that persist, the campaign to eliminate corruption is likely to be a long and arduous one. However, the public ought to remain cautiously optimistic and have faith that many of the developments of the last six years are bearing fruit. No reasonable person should expect that this transformation will occur overnight. In time, with ethical leaders at the helm, a discerning public and aggressive enforcement activities, the image of Miami-Dade County can be restored.